



CCAB completes annual review of LLPs SORP

In keeping with the FRC's Policy and Code of Practice on SORPs, the CCAB has recently completed its annual review of the Limited Liability Partnerships SORP. As part of this review we are required to consider new and revised accounting standards issued since the current edition of the SORP was published and assess whether the SORP needs amending for these changes.

A number of new and revised accounting standards have been issued since the current edition of the SORP was published in July 2014. These are summarised below:

Date	Standards	Summary of amendments
July 2014	FRS 102	Relaxes the conditions for determining whether financial instruments are 'basic' or 'other' and updates the requirements on hedge accounting
February 2015	FRS 102	Clarifies aspects of the accounting for defined benefit pension plans
July 2015	FRS 102	Adds a new section outlining presentation & disclosure requirements for small entities and makes other changes necessary for continued compliance with company law
	FRS 105	A new standard available to eligible entities choosing to apply the micro-entities regime
	FRSSE	Withdrawn for accounting periods beginning on or after 1 January 2016

We have reviewed the amendments issued in July 2014 and February 2015 and concluded that no changes are needed to the SORP as a consequence of them. The new and revised standards issued in July 2015 do, however, require more consideration.

Many of the changes made to FRS 102 in July 2015 reflect the amendments made to companies legislation introduced by [The Companies, Partnerships and Groups \(Accounts and Reports\) Regulations 2015](#). These new regulations implemented the provisions of the EU Accounting Directive in the UK, made changes to the regulatory framework applicable to companies and reduced the administrative burdens associated with the preparation and publication of statutory accounts for limited companies. However, these changes have not currently been reflected in the LLP regulations.

Paragraphs A4.43-A4.47 of the updated 'Appendix IV: note on legal requirements' that accompanies the latest version of FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland further explain the situation and provide additional guidance for LLPs. We would therefore refer all of those involved in the preparation and audit of LLP financial statements to these paragraphs.

It should also be noted that LLPs cannot currently access the micro-entities regime and therefore cannot apply FRS 105 [The Financial Reporting Standard applicable to the Micro-entities Regime](#).

Some changes could be made to the SORP in the wake of the new and revised standards issued in July 2015. These changes are, however, minor in nature and would not affect any of the recommended practices set out in the SORP. We have therefore decided to defer making them until any changes are made to the LLP regulations to reflect the recent amendments to companies' legislation as doing so will avoid issuing two sets of updates to the SORP in quick succession.

The government is currently [consulting](#) on revisions to the LLP regulations that are currently expected to be finalised in the summer of 2016. We will consult on the required changes to the SORP when these regulations are finalised.

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